

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT AUDIT OF BELLSOUTH
CORPORATION

) ADMINISTRATIVE
) CASE NO. 349

O R D E R

This matter is before the Kentucky Public Service Commission, on its own motion, for the purpose of authorizing the Commission's participation in a joint audit of BellSouth Corporation ("BellSouth") and its affiliates. BellSouth is the parent company of BellSouth Telecommunications, Inc., which provides intrastate and interstate telephone services in Kentucky and eight other southern states. The carrier operates in Kentucky under the name of South Central Bell Telephone Company ("South Central Bell").

This Commission will lend one or more employees to the Florida Public Service Commission ("FPSC") to assist in the audit which will be conducted under Florida law. It is the intent of this Commission that, for the sole and limited purpose of working on the joint audit, the work done by the Kentucky employees will be subject to Florida law, FPSC regulations, and the supervision of the FPSC accounting staff. For example, any requests for information made by the Kentucky employees in connection with the joint audit will be made pursuant to Florida law and FPSC rules; similarly, any information received by these employees in the course of the joint audit will be handled in accordance with

Florida laws and FPSC procedures. The Kentucky employees will, if requested by the FPSC, sign agreements to that effect.

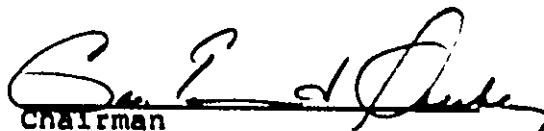
In a separate proceeding, this Commission is presently conducting its own investigation of South Central Bell's earnings in Kentucky during the 1991-1994 period.¹ If a Kentucky employee on loan to the FPSC discovers information during the course of the joint audit which the employee believes should be considered in the Kentucky investigation, the employee will so notify South Central Bell, describing specifically the information or the document, or part thereof, containing the information. Such notification shall be considered a discovery request from the Kentucky Commission in Case No. 90-256. In accordance with Kentucky law, South Central Bell shall thereafter produce the information or document, or part thereof, subject to any proprietary orders or other rulings issued in Case No. 90-256.

IT IS THEREFORE ORDERED that certain Commission employees shall be assigned to the BellSouth audit as described herein.

¹ Case No. 90-256, A Review of the Rates and Charges and Incentive Regulation Plan of South Central Bell Telephone Company.

Done at Frankfort, Kentucky, this 20th day of April, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director